

No. 2008-126

The Embassy of the United States of America presents its compliments to the Ministry of Foreign Affairs of the Republic of Hungary and acknowledges receipt of the Ministry's note

No. 7048-4/ADM/KÜM/2008, dated July 3, 2008, which reads as follows:

(Begin Text)

"The Ministry of Foreign Affairs of the Republic of Hungary presents its compliments to the Embassy of the United States of America, and refers to the discussions between representatives of our two Governments related to the transfer of Russian-origin spent nuclear fuel from the research reactor at the KFKI Atomic Energy Research Institute in Budapest to the Russian Federation. The Ministry of Foreign Affairs proposes, on behalf of the Government of the Republic of Hungary, the following agreement concerning the transfer of such Russian-origin spent research reactor fuel from the Republic of Hungary to the Russian Federation, for management and storage in the Russian Federation.

Article 1

This Agreement between the Government of the Republic of Hungary and the Government of the United States of America (the "Parties") aims to give assurances concerning the provision of technical assistance that may be provided by the Government of the United States of America (the "United States Government"), through the United States Department of Energy, to support:

- a. the transfer of spent research reactor nuclear fuel from the Republic of Hungary to the Russian Federation,
- b. conversion of the research reactor at the KFKI Atomic Energy Research Institute from the use of high-enriched uranium (HEU) fuel to low-enriched uranium (LEU) fuel,
- c. safety upgrade of the reactor system as part its conversion from HEU fuel to LEU fuel, and
- d. security enhancement of the reactor site and nuclear materials stored at the site.

Article 2

The Government of the Republic of Hungary agrees that:

a. The technical assistance provided by the Government of the United States of America (the "United States Government") shall not be used for payment of any taxes (including value-added taxes), customs duties, or other charges imposed by the Government of the Republic of Hungary or any subdivision or instrumentalities thereof. If any taxes, customs duties, or other charges imposed by the Government of the Republic of Hungary or any subdivision or instrumentalities thereof are assessed with respect to the technical assistance provided by the United States Government, the Government of the Republic of Hungary shall provide prompt and full reimbursement for those taxes, duties or other charges.

b. The Government of the Republic of Hungary shall be responsible for any liability arising out of technical assistance provided by the United States Government as set forth in Article 1 above, in accordance with the Vienna Convention on Civil Liability for Nuclear Damage of May 21, 1963.

Article 3

Any technical assistance provided by the United States of America pursuant to this Agreement is subject to the availability of funds.

Article 4

Ministries and agencies of the Parties may enter into implementing agreements and other arrangements to implement technical assistance provided by the United States Government pursuant to this Agreement.

Article 5

The two governments understand that during the implementation of the Agreement the Hungarian side is required to act in compliance with the legislation of the European Community and the European Atomic Energy Community.

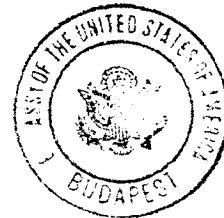
If these proposals are acceptable to the United States Government, it is further proposed that this note, together with the Embassy's affirmative note of reply, shall constitute an force on the date of a note from the Ministry confirming that

the Government of the Republic of Hungary has completed all of its domestic legal procedures necessary for entry into force of the Agreement.

The Ministry of Foreign Affairs avails itself of this occasion to renew to the Embassy the assurances of its highest consideration."

(End Text)

The Embassy confirms that the proposals set forth in the Ministry's note are acceptable to the Government of the United States of America and the Ministry's note and this note in reply shall constitute an agreement between the two Governments which shall enter into force on the date of a note from the Ministry confirming that the Government of the Republic of Hungary has completed all of its domestic legal procedures necessary for entry into force of the Agreement.



Embassy of the United States of America,

Budapest, July 3, 2008.



7048-4/Adm/KüM/2008

NOTE VERBALE

The Ministry of Foreign Affairs of the Republic of Hungary presents its compliments to the Embassy of the United States of America, and refers to the discussions between representatives of our two Governments related to the transfer of Russian-origin spent nuclear fuel from the research reactor at the KFKI Atomic Energy Research Institute in Budapest to the Russian Federation. The Ministry of Foreign Affairs proposes, on behalf of the Government of the Republic of Hungary, the following agreement concerning the transfer of such Russian-origin spent research reactor fuel from the Republic of Hungary to the Russian Federation, for management and storage in the Russian Federation.

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EMBASSY OF THE UNITED STATES OF AMERICA
BUDAPEST



7048-5/Adm/KüM/2008

NOTE VERBALE

The Ministry of Foreign Affairs of the Republic of Hungary presents its compliments to the Embassy of the United States of America and in response to the Note Verbale no. 2008-126 sent by the Embassy on 3 July 2008, it has the honour to confirm that the Government of the Republic of Hungary has completed all of its domestic legal procedures necessary for the entry into force of the Agreement, therefore the Agreement enters into force on the date of this note verbale sent by the Ministry, i.e. on the 7th of July 2008.

The Ministry of Foreign Affairs of the Republic of Hungary avails itself of this opportunity to renew to the Embassy of the United States of America the assurances of its highest consideration.

Budapest, 7 July 2008



EMBASSY OF THE UNITED STATES OF AMERICA
BUDAPEST